



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF HUMAN SERVICES  
LANSING

MARIANNE UDOW  
DIRECTOR

July 9, 2007

The Honorable Bill Hardiman, Chair  
Senate Appropriations Subcommittee on DHS  
Michigan State Senate  
Lansing, Michigan 48933

The Honorable Dudley Spade, Chair  
House Appropriations Subcommittee on DHS  
Michigan House of Representatives  
Lansing, Michigan 48933

Dear Senator Hardiman and Representative Spade:

Section 902(3) of 2006 Public Act No. 345 requires the Department of Human Services (DHS) to submit quarterly reports to the Legislature on expenditures and improvements made as a result of this section of the appropriations act.

Please accept this letter as the DHS's first quarterly report for fiscal year 2007. A total of \$2,300,000 of Michigan Arrearage Collection Special Project funding was carried forward, as an authorized work project, into fiscal year 2007 to continue Michigan Child Support Enforcement System (MiCSES) improvements. In the first quarter of FY2007, \$500,000 of these funds was spent on improvements to MiCSES. The improvements included the following:

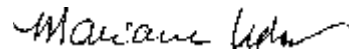
1. New financial detail reports for custodial and non-custodial parents.
2. Required changes to federal reports related to paternity establishment and medical support.
3. Improvements to income withholding processes.
4. Purge and archival of aged/inactive data to reduce data storage requirements and associated costs.

With regard to improving child support collections, DHS is developing a pilot project with Public Consulting Group (PCG). This project will be operated in one county initially and will focus on cases that have not received a payment in over 90

days. These cases will be referred to PCG for collection activities. Payments to PCG will be based on the amount of increase in TANF recoveries generated through this pilot. Once the pilot is completed, an evaluation of the project will determine what changes, if any, are necessary and if the project should be expanded.

If you have any questions, please contact John Sorbet, chief administrative officer, DHS, at (517) 373-7787.

Sincerely,

A handwritten signature in cursive script, appearing to read "Marianne Udow".

Marianne Udow

Attachments

C: Senate and House Appropriations Subcommittee on DHS  
Senate and House Fiscal Agencies  
Senate and House Policy Offices  
State Budget Office